



## SENATE BILL 340: State Historic Sites Special Fund

2011-2012 General Assembly

**Committee:** Senate Finance  
**Introduced by:** Sen. Hartsell  
**Analysis of:** PCS to First Edition  
S340-CSRB-17

**Date:** March 28, 2011  
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**SUMMARY:** *Senate Bill 340<sup>1</sup> would establish a non-reverting, interest-bearing fund consisting of all receipts derived from the State Historic Sites. The money in the Fund would be appropriated for the operation, maintenance, and development of the State Historic Sites. The Proposed Committee Substitute does two things:*

- *It clarifies the fund type and removes unnecessary language.*
- *It specifies that the funds attributable to each site may only be used at that site and that how the funds would be used at the site is based upon a joint decision by the staff from the site and the Division of State Historic Sites.*

**CURRENT LAW:** North Carolina Historic Sites is a division of the North Carolina Department of Cultural Resources Office of Archives and History. There are 27 unique North Carolina historic sites in North Carolina. As a general rule, the sites are funded through appropriations to the Division of Cultural Resources, which is then allocated by the Division to the various State historic sites. The receipts generated by the historic sites are considered departmental receipts. As departmental receipts, the revenue is applied against the cost of a site's operations and is used to reduce the amount of General Fund revenue that needs to be allocated to it. If the sites generate more receipts in a year than is appropriated to them, the 'over-realized receipts' revert to the General Fund.<sup>2</sup> Under G.S. 143C-1-4(a), interest earned on all funds is credited to the General Fund unless the law provides otherwise.

Twenty-four<sup>3</sup> of the 27<sup>4</sup> historic sites are owned by and under the control of the Division of State Historic Sites. One of these 24 sites, Bentonville Battlefield has a special nonreverting, interest-bearing fund that consists of the receipts generated on the property. The General Assembly created the Fund in 2008. The site has considerable acreage that is leased to farmers for agricultural uses. The rental receipts derived at the Bentonville Battlefield have allowed the Fund to experience growth over the past three years and provided for the operation and expansion of the site.

**BILL ANALYSIS:** Senate Bill 340 would seek to emulate the concept of a special, nonreverting, interest-bearing fund for the other 23 historic sites owned by and under the control of the Division of State Historic Sites. The Division believes the Fund would encourage the sites to be more entrepreneurial and more self-sufficient financially. The Fund, like the current individual site budgets,

<sup>1</sup> As introduced, the bill is identical to House Bill 368.

<sup>2</sup> Over-realized receipts cannot be used because the funds have not been appropriated.

<sup>3</sup> Thomas Wolfe Memorial, Zebulon B. Vance Birthplace, Horne Creek Living Historical Farm, Fort Dobbs, Charlotte Hawkins Brown Museum, NC Transportation Museum, Reed Goldmine, James K. Polk Memorial, Alamance Battleground, Bennett Place, Historic Stagville, Duke Homestead, House in the Horseshoe, Town Creek Indian Mound, Bentonville Battlefield, Historic Halifax, Historic Edenton, Somerset Place, Historic Bath, Aycock Birthplace, CSS Neuse, Fort Fisher, Brunswick Town/Ft. Anderson.

<sup>4</sup> Tryon Palace, USS North Carolina Battleship Memorial, and the Roanoke Island Festival Park are not owned by or controlled by the Division of Cultural Resources.

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would be administered at the Division level which would provide for the greatest amount of budgeting flexibility.

Whether these revenues would be applied against the cost of maintaining and operating the historic sites, much like they are today, is a budgetary decision. The advantage of establishing a special revenue fund is that any unused money in the Fund at the end of the fiscal year would not revert to the General Fund<sup>5</sup>, as is the current practice with over-realized fee receipts, and that any interest that accrues on the monies in the Fund would remain in the Fund to be appropriated for the use of the historic sites, as opposed to the current practice where the interest on the funds accrues to the General Fund<sup>6</sup>.

**EFFECTIVE DATE:** The bill would become effective July 1, 2011.

*S340-SMRB-26(CSRB-17) v1*

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<sup>5</sup> G.S. 143C-1-2(b).

<sup>6</sup> G.S. 143C-1-4(a).